

**MINUTES
SCHOLARSHARE INVESTMENT BOARD**

June 13, 2013

Chair Bettina Redway called the meeting to order at 1:06 PM.

Present:

Members: Bettina Redway for Bill Lockyer, California State Treasurer
Richard Gillihan for Ana J. Matosantos, Director of Finance
Camille Esch for Karen Stapf Walters, Executive Director, State Board of
Education
Hal Geiogue
Christopher Jennings
Rhonda Johnson

Staff: Zeny M. Agullana, Executive Director, ScholarShare Investment Board
(SIB or Board)
Arlene Greene, Deputy Director, SIB
Stanley Zeto, Manager, SIB
Katie Burns, SIB
Hau Cam, SIB
Maria Collins, SIB
Brian Gorban, SIB
Sue Lim, SIB
Joyce Eriksson, SIB
Deborah Yang, Senior Attorney, State Treasurer's Office (STO)

Consultant: Jeremy Thiessen, Managing Director, Pension Consulting Alliance, Inc. (PCA)

TFI: Michael Noone, President, TIAA-CREF Tuition Financing, Inc. (TFI)
Chris Lynch, Director, TFI
Ed Mihallo, Director, Investment and Product Strategy, TFI
Don Wolf, Senior Marketing Manager, TFI
Ralph Clement, Team Manager, Lead Field Consultant, TFI
Garianne Dashiell, Field Consultant, TFI

Chair Redway declared a quorum present.

Board Agenda Item Number One
Approval of Minutes from March 14, 2013 ScholarShare Investment Board Meeting

The minutes for the March 14, 2013 SIB meeting were presented to the Board.

Board Action

Member Gillihan moved to approve the item before the Board, the minutes for the March 14, 2013 SIB meeting. The motion was seconded by Member Johnson and approved by the Board with an abstention from Member Esch.

Board Agenda Item Number Two
Executive Director's Report

Chair Redway was introduced as the new designee for the State Treasurer.

Mr. Stanley Zeto, SIB, provided updated account and asset data for the ScholarShare College Savings Plan (Plan). Ms. Zeny Agullana, SIB, provided an update on recent legislative matters. Ms. Arlene Greene, SIB, provided highlights of recent marketing and outreach efforts and an update on the CalSAVE program.

Mr. Zeto provided an update on current contracts, the California Memorial Scholarship Program and Governor's Scholarship Programs (GSP).

Board Agenda Item Number Three
Review and Analysis of TIAA-CREF Tuition Financing, Inc.'s Investment Performance for the ScholarShare Plan for First Quarter 2013

Mr. Ed Mihallo, TFI, presented TFI's Investment Performance Report for the Plan for first quarter 2013.

Mr. Jeremy Thiessen, PCA, presented PCA's Investment Performance Status Report (Report) for first quarter 2013 comparing each underlying fund allocated to the portfolios to the applicable benchmark criteria. He noted that PCA is not recommending any funds be placed on watch status at this time.

Member Geiogue requested that a breakdown of plan assets by underlying fund be included in the Report going forward. Mr. Thiessen stated that this information would be included going forward.

Board Agenda Item Number Four
TIAA-CREF Tuition Financing, Inc.'s Marketing Update for the ScholarShare Plan

Mr. Don Wolf, TFI, presented TFI's 2013 Marketing Update outlining the marketing results for the first quarter of 2013 and the marketing activities planned for the remainder of the year. The update included an overview of the accounts and assets, 2013 budget, and results for marketing

activities that include online, print, radio, employer, and ethnic outreach advertising, customer direct marketing and communications, social media, public relations and local marketing.

Board Agenda Item Number Five

Review of TIAA-CREF Tuition Financing, Inc.'s Administrative Performance for the ScholarShare Plan for First Quarter 2013

Mr. Chris Lynch, TFI, presented TFI's Administrative Performance Report comparing its administrative performance during the first quarter of 2013 to the benchmarks adopted by the Board. Mr. Lynch provided an explanation of the underperformance in the area of Account Processing – New Account Accuracy.

Public Comment

Chair Redway called for public comment. There was none.

There being no further business before the Board, the Chair adjourned the meeting at 2:32 PM.

Respectfully submitted by,

Zeny M. Agullana, Executive Director
ScholarShare Investment Board